

My statement on behalf of the membership of the National Shoeboard Conference is directed to those subjects, relating to new legislative proposals on foreign trade policy, outlined in the statement by your Committee dated May 9, 1968. I will summarize my views and recommendations, and follow-up with a more detailed discussion of each subject:

(1) We recommend a limited extension of the President's authority to negotiate future trade agreements. We recommend additional amendments: (a) authorizing the President to negotiate the reciprocal elimination of tariffs on specific products, under certain conditions; and (b) prohibiting future agreements unless non-tariff charges on imports by foreign countries and disparate tariff rates are eliminated, as conditions of such agreements.

(2) We recommend changes in the Antidumping Act that would make this legislation an effective defense against the unfair trade practice of selling imported goods in the U.S. market below the fair market price in the country of origin.

(3) We are not in favor of across-the-board quotas on imports designed to preserve a specified percentage of the total domestic market for domestic producers. We recommend that the existing law be amended to provide effective action against excessive imports of specific products that endanger the existence and welfare of a domestic industry.

(4) We are not in favor of a direct subsidy to exports.

(5) We are in favor of a broader tax on imports only as an offset to the non-tariff charges imposed on U.S. exports by other countries.

(6) We recommend against any future trade agreements until or unless an equitable balance is achieved between the charges made on imports into the United States and the total burdens imposed by foreign countries on exports from the United States.

EXTENSION OF THE PRESIDENT'S TRADE AGREEMENT AUTHORITY, UNDER THE TRADE EXPANSION ACT

With respect to extending the President's authority to negotiate future trade agreements, we recommend that such authority be limited to: (a) "compensatory" tariff concessions in those cases where the United States withdraws previous tariff concessions; (b) and to the reciprocal elimination of tariffs, including non-tariff charges, on specific products. With respect to the latter, our membership is willing to agree to the elimination of our tariffs on shoeboard if other countries, consuming and producing shoeboard, are willing to eliminate tariffs and other charges on imports of shoeboard into their markets. We recommend that such agreements would require that all of the countries, including the United States, which together account for 85% of the total international trade in shoeboard (or any other commodity) must be parties to such an agreement. We also recommend two additional amendments to the Trade Expansion Act that would prohibit the President from negotiating any future trade agreements unless other countries eliminate their non-tariff charges as a condition to future agreements, and would forbid any future trade agreements on any commodity or commodities in which there would be a disparity between the U.S. and foreign tariffs in the final agreement rate. These two issues will be discussed later in this statement.

PROPOSALS RELATIVE TO ANTIDUMPING, COUNTERVAILING DUTIES, AND RELATED MATTERS

In our opinion, the substance and administration of the Antidumping Act are inadequate to protect domestic industry from the unfair trade practice of selling imports in this market below the fair market value in the country of origin. We are sure that imported shoeboard is sold in our market at dumping prices, when foreign producers have some excess production or want to expand their total sales. Collecting the necessary information about dumping is a time consuming and expensive process. By the time we are prepared to present a case, the dumping has ceased. Even though the dumping may not be for a protracted period of time, such unfair selling practice has an adverse effect on our price structure, and disrupts our production and marketing operations. We believe that effective action against dumping can be achieved only if punitive action can be taken against an exporter or importer for specific violations, whether the dumping is continuing or is done on a sporadic basis. We believe that the requirements of the present law that injury from dumping must be found to domestic